



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT ORDER NO. DO2023-07-0021 ✓

**AMENDMENTS TO INTERNAL GUIDELINES AND PROCEDURES FOR THE
TRANSFER OF EXISTING FUNDS IN RELATION TO THE FINANCIAL BENEFITS
UNDER ENERGY REGULATION NO. 1-94 (ER 1-94)**

WHEREAS, Republic Act No. 7638 or the Department of Energy (DOE) Act of 1992 mandates the DOE to devise ways and means of giving direct benefit to the province, city, or municipality, especially the community and people affected, and equitable preferential benefit to the region that hosts the energy resource and/or the energy-generating facility;

WHEREAS, to operationalize said mandate, the DOE issued ER 1-94 which provides that the host communities of the energy generating facilities and/or energy resource developers are entitled to a share of one centavo per kilowatt-hour (PhP0.01/kWh) of the total electricity sales as financial benefit of the host community to be allocated as follows:

- a) Electrification Fund (EF) to be implemented by the concerned distribution utilities (DUs);
- b) Development and Livelihood Fund (DLF) to be implemented by the concerned Host LGUs; and
- c) Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF) to be implemented by the concerned Host LGUs;

The EF, DLF and RWMHEEF are collectively referred herein as "ER 1-94 Funds";

WHEREAS, on 26 July 2018, the DOE issued Department Circular (DC) No. DC2018-08-0021, titled "Providing for the Amendments to Rule 29 Part (A) of the Implementing Rules and Regulations of Republic Act No. 9136", which took effect on 23 August 2018, to provide the rules and guidelines on the administration of the financial benefits under the ER 1-94 Program to promote efficiency in the government processes and ensure that the financial benefits are properly allocated and availed of;

WHEREAS, on 28 December 2018, the DOE issued Department Order (DO) No. DO2019-01-0001, titled "Providing the Internal Guidelines and Procedures for the Transfer of Existing Funds in Relation to the Financial Benefits under ER 1-94", where the EF will be transferred to the DUs serving the host communities;

WHEREAS, the DOE adopts the following supplemental guidelines to streamline the procedures for the transfer of the existing accrued EF pursuant to DO No. DO2019-01-0001;

NOW, THEREFORE, in consideration of the foregoing premises, the following are hereby ordered:

Section 1. Requirements for the Transfer of Existing Funds

1.1. To streamline the requirements of Section 7.1, in relation to Section 7.1.1, of DO No. DO2019-01-0001, the transfer of existing EF to the DU will be processed by the DOE upon submission of the following documentary requirements:

1.1.1. Authorized Government Depository Bank (AGDB) Certification

Certification from AGDB of the trust account established bearing an account name of:

<Distribution Utility> - ER 1-94 (EF)

The trust account shall have sub-ledgers for the monitoring of remitted ER 1-94 EF allocated from various Generating Companies, as applicable.

1.1.2. Name and contact details of the authorized person to be notified of the transfer of funds and is responsible for complying with the submission of the Official Receipt and/or Acknowledgement Receipt, whichever is applicable.

1.2. The concerned DUs shall submit to the DOE the complete documentary requirements, not later than fifteen (15) calendar days upon effectivity of this DO. A request for extension to comply, within a period of not more than five (5) working days may be granted by the DOE, subject to the evaluation and approval of the Electric Power Industry Management Bureau.

1.3. The National Electrification Administration is hereby directed to immediately notify all electric cooperatives of the implementation of this DO and ensure their compliance.

Section 2. Transfer for Remaining ER 1-94 Funds

2.1. For DUs that are compliant with the documentary requirements.

Within thirty (30) calendar days from the receipt of the complete documentary requirements from the DUs, the DOE shall facilitate the processing of the Disbursement Vouchers for the transfer of allocated EF to the DUs.

2.2. For DUs that are non-compliant with the documentary requirements.

After sixty-five (65) calendar days from the effectivity of this DO, the DOE shall deposit the remaining EF to the National Treasury.


Section 3. Separability Clause

All issuances inconsistent with any provision of this DO are hereby repealed or amended accordingly.

Section 4. Effectivity

This DO shall take effect immediately after its posting on the DOE website.

Signed this ____ day of July 2023 at the DOE Building, Energy Center, Rizal Drive cor. 34th St., Bonifacio Global City, Taguig City.


RAPHAEL P.M. LOTILLA
Secretary



JUL 20 2023